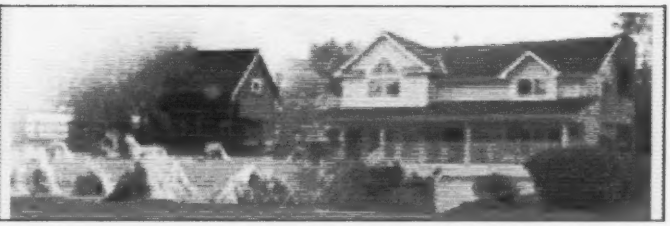
HOUSING BULLETIN MONTHLY REPORT April 2009



EXECUTIVE SUMMARY

According to the Canada Mortgage and Housing Corporation (CMHC), the seasonally adjusted annual rate[1] of housing starts decreased to 117,400 units across Canada in April 2009 from 146,500 units in March 2009. In Alberta's seven largest centres, overall housing starts totalled 794 units in April 2009, compared to 2,034 units in April 2008 (a decrease of 61 percent).

The average resale price for a single family home listed on the Multiple Listing Services (MLS) in Alberta in April 2009 fell by 7 percent, compared to this time last year. In Calgary, the average resale price for a single family home listed on the MLS, declined by 10 percent[2] in April 2009, to $426,311. The average resale price for a single family home listed on the MLS in Edmonton in April 2009 was $353,386[3], down 8.5 percent from April 2008.

The results from the *Fall Rental Market Report- Alberta Highlight,* produced by the CMHC, indicated that vacancy rates in private rental apartments in Alberta's centres, with population of 10,000 people, was 2.5 percent in October 2008, up from 1.6 percent in October 2007.

KEY HIGHLIGHTS

- For the month of March 2009, 1,227 residential building permits[4] were issued in Alberta, in March 2009, of which 315 were in the City of Calgary and 647 were in the City of Edmonton.
- The Alberta Real Estate Association (AREA) reported that a total of 14,535 residential units were sold province-wide from January to the end of April 2009.
  - Residential unit sales decreased by 17 percent province-wide, compared to April 2008.
- The Canadian Real Estate Association released a report entitled *Economic Impact of MLS Home Sales and Purchases in Canada and the Provinces*. The report indicates:
  - The resale housing industry in Canada generated more than 202,000 jobs, of which 27,400 were in Alberta, and an average of $22.3 billion annually in various economic developments in the period from 2006 and 2008.
  - There were 462,734 residential properties sold across Canada through the MLS last year.
  - An average of 202,750 jobs were created in Canada, yearly, as a direct result of resale housing transactions from 2006 to 2008, inclusive.

[1] All starts figures, other than actual starts, are seasonally adjusted annual rates (SAAR), i.e., monthly figures adjusted to remove normal seasonal variation and multiplies by 12 to reflect annual levels.

[2] Source: The Calgary Real Estate Board.

[3] The Realtors Association of Edmonton.

[4] Residential building permits includes single-family, mobile, cottage, semi-detached, tow house and apartment building.

HOUSING MARKET TRENDS

HOUSING STARTS

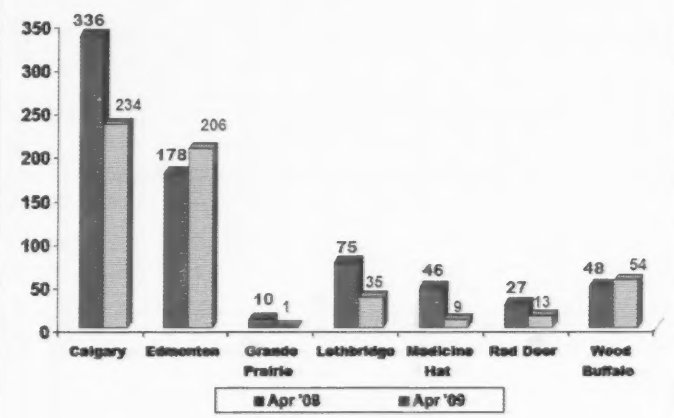
Single-detached starts fell by 23 percent.

Province wide, single-detached housing starts dropped to a total of 552 units in April 2009; in April 2008 construction began on 720 new units.

In April 2009, 206 single-detached homes started in Edmonton, representing an increase of almost 16 percent from the 178 units started in April 2008. This represents the first year-over-year improvement in single-detached activity since June 2007.

Meanwhile in Calgary, there were 234 single-detached homes started in April 2009, compared to 336 units started in April 2008, a decrease of 30.4 percent.

Total Housing Starts – Single-Detached



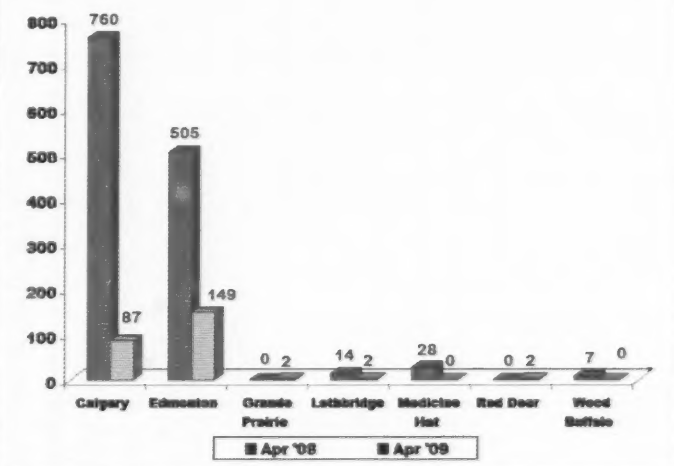
Multiple Family starts tumbled by 82 percent

Multiple-family starts in Alberta declined from 1,314 in April 2008 to 242 units in April 2009.

Across Edmonton, multi-family starts (semi-detached, row and apartments), totalled 149 units in April 2009, compared to 505 units started in the same month of 2008, a difference of 70 percent from the previous year.

In Calgary, multi-family starts amounted to 87 units in April 2009, compared to 760 units started in April 2008, a decline of 88.6 percent.

Total Housing Starts – Multiple Dwellings



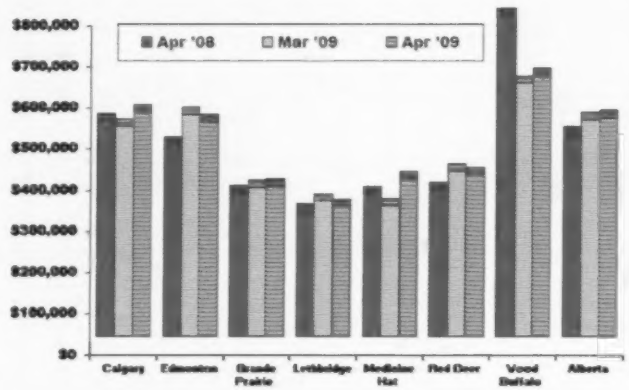
Source: Canada Mortgage and Housing Corporation

HOUSING PRICES ACROSS ALBERTA

Average Absorbed* Unit Resale Price for Single-Detached Dwellings

The average absorbed resale house price in Alberta for April 2009 was $532,385, compared to $493,919 in April 2008, an increase of 7.9 percent. Increase in average absorbed unit price reported across six of Alberta's seven largest centres with increase of 4.1 percent in Calgary region, 11.8 percent in Edmonton region, 4.6 percent I Grande Prairie, 4.2 percent in Lethbridge, 10.5 percent in Medicine Hat and 10.1 percent in Red Deer. The Wood Buffalo was the only region reported an 18.9 percent decrease in average re-sale price in year-over-year activity.

Average Absorbed Unit Resale Price – Single-Detached Dwellings

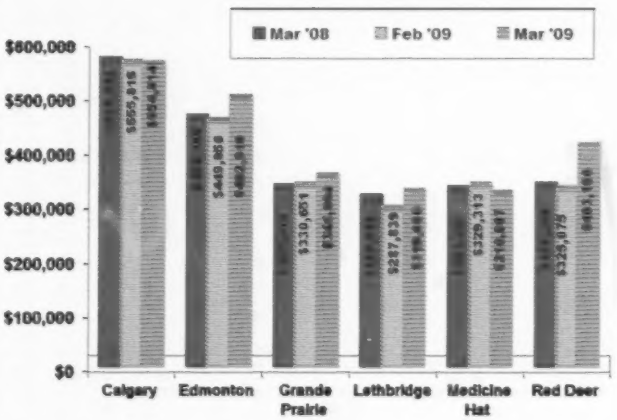


Average Sale Price for Newly Completed Single-Detached Dwellings

According to Canada Mortgage and Housing Corporation, four centres across Alberta, with a population over 100,000 reported an increase in housing prices for newly completed single detached dwellings for the month of April 2009.

According to New Housing Price Index (NHI), released by Statistics Canada, new housing prices declined by 1.2 percent in both Calgary and Edmonton February and March 2009.

Average Sale Price – Newly Completed Single-Detached and Semi-Detached Dwellings



*A dwelling is defined as 'absorbed' when a binding, non-conditional agreement is made to buy or rent the dwelling.

Source: Housing Information Monthly – Canada Mortgage and Housing Corporation (CMHC)
Preliminary Housing Start Data – Canada Mortgage and Housing Corporation (CMHC)

CALGARY HOUSING MARKET – ***According to the Calgary Real Estate Board, 1,290 single family homes were sold in April 2009, showing an increase of 19 percent from March 2009, where 1,086 homes were sold. The number of condominiums sold during April 2009 was 579, an increase of 30 percent from 446 condominium transactions recorded in March 2009.***

Average Resale Price – Single-Detached Dwellings							Average Resale Price – Condominium						
April '09	March '09	% Change Mar '09 - Apr '09	April '08	% Change Apr '08 - Apr '09	Average Days on the Market Apr '09	Month End Inventory Apr '09	April '09	March '09	% Change Mar '09 - Apr '09	April '08	% Change Apr '08 - Apr '09	Average Days on the Market Apr '09	Month End Inventory Apr '09
$426,311	$420,354	1.4	$474,564	-10.1	52	4,130	$277,953	$284,056	-2.1	$312,586	-11.0	58	2,043

EDMONTON HOUSING MARKET – ***The Realtors Association of Edmonton reported an increase in sales activities in April 2009, with 1,843 residential units being sold in April 2009 (up 33.6 percent from last month and 1.1 percent from April 2008).***

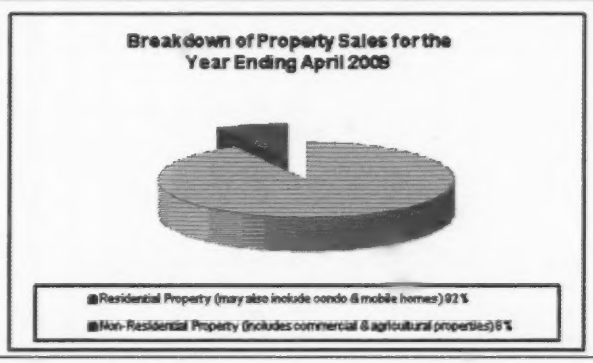
Average Resale Price – Single Family Dwellings (SFD)					Average Resale Price – Condominium						
April '09	March '09	% Change Mar '09 - Apr '09	April '08	% Change Apr '08 - Apr '09	April '09	March '09	% Change Mar '09 - Apr '09	April '08	% Change Apr '08 - Apr '09	Average Days on the Market Apr '09 (both SFD and Condo)	Month End Inventory Apr '09 (Includes SFD, Condo, Duplex, and Mobile homes)
$353,386	$349,716	1.0	$386,033	-8.5	$236,020	$230,469	2.4	$256,947	-8.1	51	7,539

ACCORDING TO THE ALBERTA REAL ESTATE BOARD, ***5,172 residential units were sold in April 2009 across Alberta, compared to 5,771 residential units in April 2008 (down 10.3 percent).***

Location	Average Residential Resale Price*				
	April '09	March '09	% Change Mar '09 – Apr '09	April '08	% Change Apr '08 – Apr '09
Calgary	$372,000	$372,100	0.0	$414,000	-10.1
Edmonton	$312,100	$309,000	1.0	$336,900	-7.4
Grande Prairie**	$283,300	$276,900	2.3	$279,900	1.2
Lethbridge	$239,100	$239,300	-0.1	$238,000	0.5
Medicine Hat	$250,800	$252,500	-0.7	$258,900	-3.1
Red Deer	$265,000	$264,000	0.4	$280,500	-5.5
Wood Buffalo**	$617,400	$616,600	0.1	$665,300	-7.2
Alberta	$330,600	$329,800	0.2	$355,500	-7.0

Value of property sales

- The value of total property sales for the year ending April 2009 was $5.2 billion (down 34 percent from the same period last year).
- Residential properties represented 92 percent ($4.7 billion) of total property sales for the year ending April 2009.


Breakdown of Property Sales for the Year Ending April 2009
Residential Property (may also include condo & mobile homes) 92%
Non-Residential Property (includes commercial & agricultural properties) 8%

*Residential includes single family dwellings, condo and mobile homes.

PRIVATE APARTMENT AVERAGE VACANCY AND RENTAL RATES

ALBERTA 10,000+ (Rental Market Report – Alberta Highlights, Fall 2008)

Apartment vacancies increased across Alberta

Highlights:

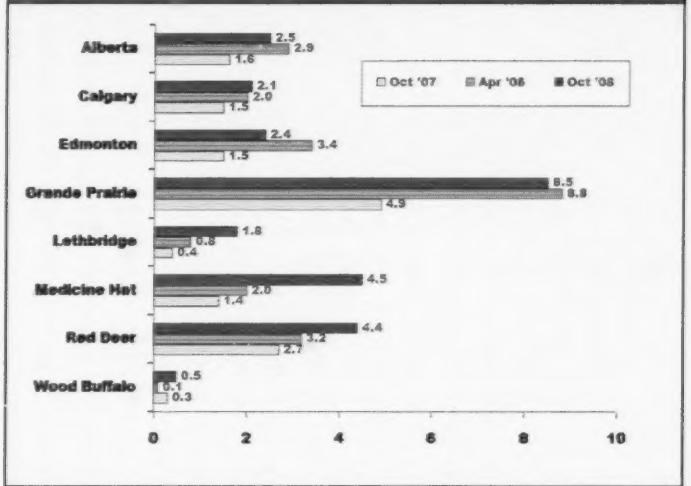
- *Apartment vacancy rates in Alberta's urban centres with a population of at least 10,000 people were 2.5 percent in October 2008, up from 1.6 percent in October 2007.*
- *Across the province, apartment vacancy rates ranged from 0.5 percent in the Wood Buffalo region to 9.1 percent in the Brooks area.*
- *In October 2008, both Calgary and Edmonton saw an increase in their vacancy rates to 2.1 percent.*

Moderate increase in apartment rental rate

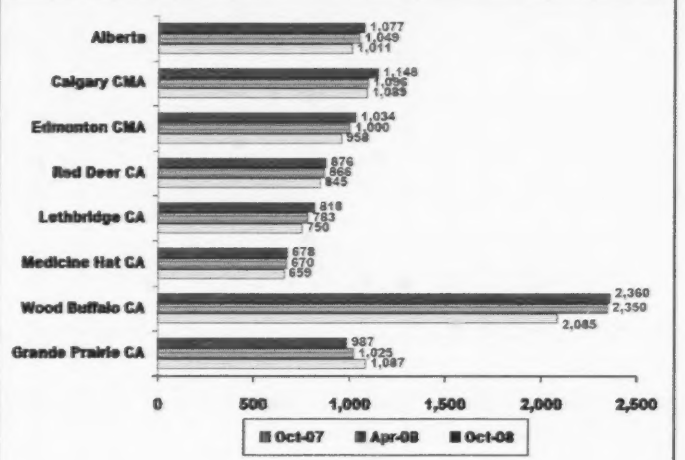
Highlights:

- *Total average rent in Alberta was $975 in October 2008, up from $913 reported in October 2007.*
- *In Calgary, the average two-bedroom rent increased from $1,089 in October 2007 to $1,148 in October 2008.*
- *The average two-bedroom rent also increased in the Edmonton region, from $958 in October 2007 to $1,034 in October 2008.*
- *To view the full report, please click here*

Overall Vacancy Rates (%)
Private Structures with 3 or more apartments



Average Rent – Two Bedroom ($)
Private Structures with 3 or more apartments



Source: Rental Market Report – Alberta Highlights – Spring 2008 and Fall 2008, Canada Mortgage and Housing Corporation (CMHC)